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ICD-10 Impacts to Billing and Coding

25 Oct 2010 @ 1400 and 26 Oct 2010 @ 0800

Presented by the TMA UBO Support Team

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Objectives

- What Will Change?
- Benefits & Advantages of New Codes
- Understanding the Difference between ICD-9 and ICD-10
- How to Build an Inpatient Procedure Code
- Billing Impacts



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ICD-10

What's Wrong With the System We Have Now?



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Why Do We Need a New Coding System?

The Centers for Medicare & Medicaid Services (CMS) says:

- Reimbursement - cannot always pay claims fairly
- Quality - difficult to evaluate medical processes and outcomes



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Who Uses ICD-9-CM?

CMS says we use ICD-9-CM now for:

- Calculating payment - MS-DRG's
- Adjudicating coverage - diagnosis codes for all settings
- Compiling statistics
- Assessing quality



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Benefits of Adoption of ICD-10

CMS says:

- Improved ability to measure health care services
- Increased sensitivity when refining grouping and reimbursement methodologies
- Enhanced ability to conduct public health surveillance
- Decreased need to include supporting documentation with claims



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Quality Problems With Current ICD-9-CM System

Example: *Fracture of wrist*. Patient fractures left wrist. A month later, fractures right wrist.

- ICD-9-CM – unable to identify left versus right
- ICD-10-CM describes:
 - Left versus right
 - Initial encounter, subsequent encounter
 - Routine healing, delayed healing, nonunion or malunion



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Additional Examples of Quality Problems With ICD-9-CM

Example: *Combination defibrillator pacemaker device*

- Codes for this device are not in the cardiovascular chapter of ICD-9-CM with the other defibrillator and pacemaker devices
- ICD-10-PCS provides distinct codes for all these types of devices in a user-friendly manner



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ICD-10-CM

What Will Change?



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Diagnoses Will Look Different

- ICD-9- CM currently has 3-5 numerical digits
 - **Example ICD-9-CM: 123.45**
- ICD-10-CM has 3 - 7 digits (alpha/numerical)
 - **Example ICD-10-CM: S42.001A**

(fracture of unspecified part of right clavicle, initial encounter for closed fracture)



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Some Major Modifications for ICD-10-CM

Includes:

- Added trimesters for Obstetrics
- Added laterality (left/right)
- Harmonized with DSM-IV
- Harmonized with ICD-O-2 for cancer registry



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What's The Difference?

Between ICD-10-CM and ICD-10-PCS?



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What's the Difference?

- ICD-10-CM is used for both inpatient and outpatient diagnoses
- Who owns ICD-10-CM? (WHO)
- ICD-10-PCS is used for inpatient procedures (we use CPT to identify our outpatient procedures)
- Who owns ICD-10-PCS? (CMS)



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ICD-10-CM

Format and Draft Conventions



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ICD-10-CM Format

ICD-10-CM is divided into two main parts:

1. Index (alpha list of terms & code)
2. Tabular List (sequential/alphanumeric list of codes divided into chapters based on body system or condition)



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ICD-10-CM Code Structure

- The first character of a three-digit category/letter
- The second and third characters are numbers
- Subcategories are either four or five characters
- Subcategory characters include either letters or numbers
- Codes may be 4 or 5 or 6 characters in length
- The letter “x” is used as a dummy 5th character place-holder
- Example: T36.0x1A (initial encounter for accidental poisoning by penicillin)



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ICD-10-PCS

Basics for Building the Code



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ICD-10-PCS

Background & Development:

- It will replace the current ICD-9-CM Volume 3 which is used to code inpatient procedures
- Currently codes have 3-4 digits - all numeric (12.34)



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Volume of Codes

Some perspective on what will be changing:

- Currently – 72,589 codes in the 2009 ICD-10-PCS
- In 2009 approximately 19,067 codes were eliminated from ICD-10-PCS from the medical and surgical section to streamline and refine codes
- For 2009 - 4,740 new codes were added
- For ICD-10-CM: 14,025 codes go to 68,000
- ICD-10-PCS: with procedure codes = 144,000



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What's Different?

Some structural differences:

- ICD-10-PCS - has 7 digits
- Numbers 0-9 are used
- Example: oFB03ZX - excision of liver, percutaneous approach, diagnostic



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What's Different?

- Completeness: a unique code for all substantially different procedures
- Expandability: As new procedures are developed - the new structure will allow them to be incorporated as unique codes
- Multi-axial codes: Each individual character component retains its meaning
- Standardized terminology: definitions are defined and standardized

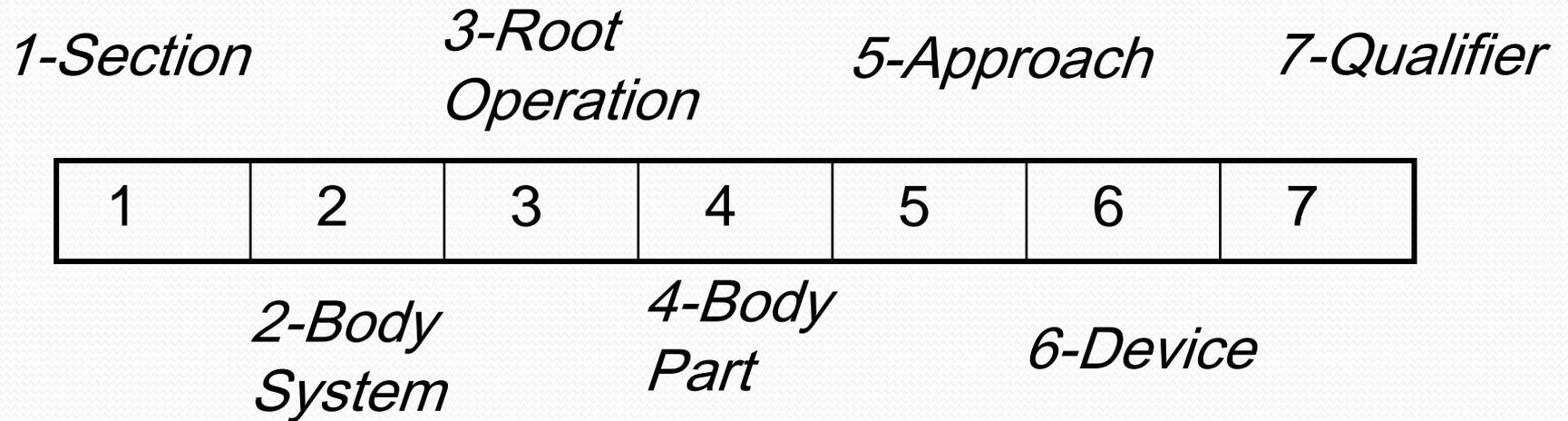


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ICD-10-PCS Code Structure

Example: *ICD-10-PCS Code Structure:*





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Sections (Character 1)

- 0 - Medical and Surgical
- 1 - Obstetrics
- 2 - Placement
- 3 - Administration
- 4 - Measurement and Monitoring
- 5 - Extracorporeal Assistance and Performance
- 6 - Extracorporeal Therapies



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Sections (Character 1)

- 7- Osteopathic
- 8- Other Procedures
- 9- Chiropractic
- B - Imaging
- C - Nuclear Medicine
- D - Radiation Oncology
- F - Physical Rehab & Diagnostic Audiology
- G - Mental Health
- H - Substance Abuse Treatment



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Body Systems (Character 2)



- 0 - Central nervous system
- 1 - Peripheral nervous system
- 2 - Heart and great vessels
- 3 - Upper arteries
- 4 - Lower arteries
- 5 - Upper veins
- 6 - Lower veins
- 7 - Lymphatic and hemic system



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Body Systems (Character 2)

- 8 - Eye
- 9 - Ear, nose, sinus
- B - Respiratory system
- C - Mouth and throat
- D - Gastrointestinal system
- F - Hepatobiliary system and pancreas
- G - Endocrine System
- H - Skin and Breast
- J - Subcutaneous tissue and fascia
- K - Muscles



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Body Systems (Character 2)



- L - Tendons
- M - Bursae and ligaments
- N - Head and facial bones
- P - Upper bones
- Q - Lower bones
- R - Upper joints
- S - Lower joints
- T - Urinary system
- U - Female reproductive system
- V - Male reproductive system
- W - Anatomical regions, general
- X - Anatomical region, upper extremities
- Y - Anatomical region, lower extremities



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Root Operations (Character 3)

TMA
Uniform
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Alteration

Drainage

Bypass

Change

Control

Creation

Destruction

Detachment

Dilation

Division

Drainage

Excision

Extirpation

Extraction

Fragmentation

Fusion

Insertion

Inspection



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Root Operations (Character 3)

TMA
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Map

Restriction

Occlusion

Revision

Reattachment

Supplement

Release

Transfer

Removal

Transplantation

Repair

Replacement

Reposition

Resection



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Body Part (Character 4)

Indicates the specific part of the body system on which the procedure was performed (e.g. duodenum)



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Approach - Character 5

There are 7 different approaches:

1. *Open*
2. *Percutaneous*
3. *Percutaneous endoscopic*
4. *Via natural or artificial opening*
5. *Via natural or artificial opening endoscope*
6. *Open with percutaneous endoscopic assistance*
7. *External*



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Approach - (Character 5)

The approach comprises three components:

1. The access location
2. Method
3. Type of Instrumentation



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Device - (Character 6)

- The device is specified in the 6th character and is used only to *specify devices that REMAIN after the procedure is complete.*
- Materials that are incidental to a procedure such as clips and sutures are not specified in the device character.



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Device - (Character 6)

4 general types of devices:

1. Biological or synthetic material that takes the place of all/portion of a body part
2. Biological or synthetic material that assists/prevents a physiological function
3. Therapeutic material that is not absorbed or eliminated by body part
4. Mechanical or electronic appliances used to assist/monitor/take the place of a physiological function



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Qualifier - (Character 7)

What is a Qualifier?

- The qualifier is specified in the 7th character
- It contains unique values for individual procedures
- Example - can be used to identify the destination site in a bypass



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ICD-10-PCS Code Structure

Example:

Dilation of **coronary artery**, **one site** with drug-eluting intraluminal device, open approach



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ICD-10-PCS Code Structure

Example 1:

Dilation of coronary artery, one site with drug-eluting intraluminal device, open approach



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ICD-10-PCS Code Structure



Answer - 027034Z

Specifies the procedure for dilation of one coronary artery using an intraluminal device via percutaneous approach



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Examples of ICD-10-PCS Codes

Examples: procedures coded from the Medical Surgical Section

1. Suture of skin laceration, left lower arm –
ICD-10 code: **oHQEZZ**
2. Sigmoidoscopy with Biopsy-
ICD-10 code: **oDBN8ZX**



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TMA
Uniform
Business
Office

ICD-10 – Billing Impacts



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Billing Impacts



Changes:

- ❑ Currently – with ICD-9 CM
- ❑ 5 digits (all numeric)
- ❑ 14,000 unique codes

To:

- ❑ ICD-10 CM (Diagnoses)
- ❑ 7 digits (alphanumeric characters)
- ❑ 80,000 unique codes



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Billing Impacts

- Upgrades for multiple IT systems
- Changes associated with the Electronic Medical Record
- Mapping dual coding systems
- Billing Systems data requirements
- Replacement of older systems
- Revising system interfaces
- Developing new reports
- Retraining users



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Billing Impacts

- GEMS: CMS has developed GEMS (General Equivalency Mapping System) between ICD-9 and ICD-10, however, no one-to-one direct match
- Each health plan has to directly match ICD-9 to ICD-10 codes and match the rate for reimbursement
- Health plans also need to map against medical policy, claims edits, and reimbursement methods to understand their impacts to business processes and system



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Billing Impacts



System changes will impact:

- Physicians
- Nurses
- Billing
- Coding
- Care management
- Reporting



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Billing Impacts

- ICD-10 changes can cause unintended consequences in:
 - Claims backlogs
 - Payment delays
 - Denials (due to coding)
 - Reimbursement



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Billing Impacts



Can include:

- Multiple system upgrades and testing cycles
- Significant training
- Increased claims denials
- Delayed payments
- Lost or reduced reimbursement



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Freezing the Codes

- The last regular, annual updates to both ICD-9-CM and ICD-10 code sets will be made on October 1, 2011.
- On October 1, 2012, there will be only limited code updates to both the ICD-9-CM and ICD-10 code sets to capture new technologies and diseases as required by Section 503(a) of the Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (Pub. L. 108-173), enacted on December 8, 2003.



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Freezing the Codes

- On October 1, 2013, there will be only limited code updates to ICD-10 code sets to capture new technologies and diagnoses as required by section 503(a) of Pub. L. 108-173.
- There will be no updates to ICD-9-CM, as it will no longer be used for reporting.
- On October 1, 2014, regular updates to ICD-10 will begin.



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ICD-10 CM Resources - References

- 2010 ICD-10-CM available at:

<http://www.cdc.gov/nchs/about/otheract/icd9/icd10cm.htm>

- 2010 ICD-10-CM Index to Diseases & Injuries
- 2010 ICD-10-CM Tabular List of Diseases and Injuries (with/instructional notations)
- 2010 Official Guidelines for Coding and Reporting (Draft 2009)



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Summary

- We have covered an overview of ICD-10-CM and ICD-10-PCS
- We have learned how to build a procedure code in ICD-10-PCS
- We now understand some of the coding and billing impacts
- It will require training for staff
- We know that it will be an opportunity and a challenge and that we need time to get ready



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Questions?

Please contact the UBO Helpdesk if you have any questions or concerns at (703) 575-5385 or UBO.helpdesk@altarum.org.

